

### **SYNOPSIS OF THE MAY 2, 2018 DEPOSITION OF AMY AUSDEMORE**

The following is a brief synopsis of the facts to which Amy Ausdemore testified at her deposition. COR Clearing, LLC (“COR”) is offering excerpts from Ausdemore’s deposition, attached hereto, as substantive evidence pursuant to the Court’s Individual Rules and Practice, Rule 5.C.ii.

Ausdemore is a Training Development Coordinator at COR, and she held that position at all relevant times. P. 9:24-10:5. In that role, she trains onboarding broker-dealers on how to use COR’s systems and clearing platform and how to run their book of business thereon. P. 13:11-25. As discussed below, Ausdemore testified about, *inter alia*, COR’s efforts in connection with the conversion process related to First Standard Financial Co., LLC (“First Standard”) and COR’s processes and procedures concerning the training of new broker-dealers, such as First Standard.

In anticipation of training onboarding of broker-dealers, Ausdemore typically prepares a training plan for new broker-dealers towards the end of the conversion process, which is the process by which new firms integrates onto COR’s clearing platform. *Id.* She typically begins training new firms after they have completed the conversion process. *Id.* In preparation for her training, she coordinates with members of COR’s Conversions Department and participates in certain aspects of the conversion process, such as attending internal weekly conversion status meetings and attending conference calls with the new firms. P. 13:11-15, 19:11-25, 26:6-16, 29:22-25.

Ausdemore was involved in the conversion process in connection with First Standard Financial Co., LLC (“First Standard”), and attended meetings and conference calls related thereto, starting in December 2016. P. 22:4-23:13, 28:18-29:25. In February 2017, she learned that First Standard’s conversion was put on hold and that First Standard was no longer going through with the conversion process. P. 35:23-36:2, 38:6-13, 42:22-43:8. She was not able to complete her training program or begin training First Standard because it failed to cooperate with COR during the conversion process by putting the process on hold. P. 46:20-25, 60:15-61:11.

COR was prepared to finalize and effectuate the conversion process in connection with First Standard, but due to First Standard’s lack of cooperation, COR was prevented from completing the process. P. 60:15-61:11.

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK  
CASE NO. 1:17-cv-02190(PAE)

x ----- x

COR CLEARING,

Plaintiff, DEPOSITION

-v- OF:

FIRST STANDARD FINANCIAL AMY AUSDEMORE  
CO., L.L.C.,

Defendants.

x ----- x

T R A N S C R I P T of the stenographic notes of the video-conference deposition of AMY AUSDEMORE in the above-entitled matter as taken by and before DEBRA-ANN BALSAMO, a Certified Shorthand Reporter and Notary Public of New Jersey, at the offices of SCARINCI & HOLLENBECK, L.L.C., One River Centre, 331 Newman Springs Road, Building 3, Suite 310, Red Bank, New Jersey on Wednesday, May 2, 2018 commencing at 9:15 in the forenoon.

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WITNESS	DIRECT	CROSS	REDIR
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7 AMY AUSDEMORE

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EXHIBITS MARKED FOR IDENTIFICATION

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1 A M Y A U S D E M O R E , residing at 27566 Magnolia  
2 Road, Underwood, Iowa 51576, being first duly sworn,  
3 testified as follows:

3

4 DIRECT EXAMINATION BY MR. LIEBERMAN:

5 Q. Good morning, Miss Ausdemore. Is it  
6 Ausdemore. Can you pronounce your last name?

7 A. Ausdemore.

8 Q. Ausdemore?

9 A. Yes. Perfect.

10 Q. Thank you. My name is Paul Lieberman.  
11 I'm a partner in the securities and regulatory  
12 practice and litigation groups of Scarinci and  
13 Hollenbeck. My firm represents First Standard and its  
14 officers and employees in the defense of the lawsuit  
15 that has been initiated by COR. COR's lawyer and I  
16 have coordinated on the scheduling of depositions.  
17 I'm sure you're familiar with those communications.  
18 Have you ever been deposed before in any manner?

19 A. No, I have not.

20 Q. Okay. Have you ever testified as a  
21 witness in a regulatory proceeding; SCC, FINRA?

22 A. No, I have not.

23 Q. I'm going to provide some ground rules  
24 for our testimony today so you can get a sense of how  
25 we're going to work out the process. You're under

1 MR. LIEBERMAN: Okay.

2 Q. Separate from the documents that you  
3 received from Mr. McComb, have you spoken either  
4 individually or as part of a group with other COR  
5 employees about your testimony today?

6 A. No, I have not.

7 Q. Okay. Have you had communications  
8 separately or in a group with Mr. McComb about this  
9 case?

10 A. Just when he told me that I was being  
11 deposed and that more information was coming.

12 Q. Okay. Did you have any conversations  
13 concerning your testimony today with Mr. Hatton?

14 A. No, I have not.

15 Q. Mr. Hatton didn't give you any  
16 information about his deposition that was conducted  
17 yesterday?

18 A. No.

19 Q. Were you asked to provide any corporate  
20 records or the records that you would normally  
21 maintain in the course of your business function at  
22 COR to anyone in this matter?

23 A. No.

24 Q. What is your current title here at COR?

25 A. I am the trainer. My title would be

1 training development coordinator.

2 Q. And how long have you been in that role?

3 A. I've been in that role actually since the  
4 beginning since I've been here with COR Clearing for  
5 13 years.

6 Q. Okay. And prior to that, assuming that  
7 function at COR approximately 13 years ago, did you  
8 have prior employment?

9 A. I did.

10 Q. And do you recall what the next  
11 preceding job was before joining COR?

12 A. I was a client services representative.

13 Q. For whom?

14 A. Ameritrade.

15 Q. Also in Nebraska?

16 A. Correct.

17 Q. And how long were you there?

18 A. Six years.

19 Q. Okay. Was that as a client service  
20 representative in a retail sales office?

21 A. Correct.

22 Q. Were you licensed as a sales assistant?

23 A. I became licensed in 2003.

24 Q. And did you have any employment prior to  
25 the role at did you say TD Ameritrade?

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1 A. And I do not have any direct reports.

2 Q. In operations, who do you report to?

3 A. My direct report would be Darren Parsons.

4 Q. Is he also in Nebraska?

5 A. Correct.

6 Q. How does the operations area in which  
7 you are integrated with the conversion coordinators,  
8 Todd Hatton and Josh Mechals?

9 MR. DEUTSCH: Objection. You can  
10 answer the question.

11 Q. Let me rephrase it. Does your  
12 operations area and your specific job function  
13 coordinate with Todd Hatton or Josh Mechals in the  
14 conversion coordination area?

15 A. Yes, it does.

16 Q. And how does it do that?

17 A. Once the conversion process is complete,  
18 then my role begins.

19 Q. Okay. What do you know as the  
20 completion of the conversion process?

21 A. Once accounts have been converted and assets  
22 and balances are on our books and systems have been  
23 established, then I come in as the trainer and I show  
24 them how to run their book of business; how to work  
25 the system.

1 (The pending question is read  
2 back by the Reporter as follows: "Was there e-mails  
3 or communications between, you know, you and your  
4 department and others in the conversion coordination  
5 team with respect to issues involving the First  
6 Standard conversion so that you could plan your  
7 schedules?" )

8 MR. LIEBERMAN: Let me rephrase  
9 that.

10 MR. DEUTSCH: Thank you.

11 Q. If the First Standard actual conversion  
12 date was May of 2017, would you have been engaged in  
13 participating in the weekly conversion meetings as far  
14 back as January of 2017?

15 A. Yes.

16 Q. Would it be the case that you actually  
17 attended each of the Tuesday weekly conversion status  
18 meetings?

19 A. Yes.

20 Q. Okay. And is that because there are  
21 multiple conversion clients discussed at these  
22 meetings?

23 A. I am also involved in the weekly meetings  
24 for a particular firm as they are coming onto the COR  
25 platform. So I am included in those meetings.

1 your group to be working on multiple conversions at  
2 the same time?

3 A. Yes.

4 Q. Now you also mentioned that there were  
5 separate meetings. Can I identify them as separate  
6 meetings for a particular correspondent, is that what  
7 you indicated?

8 A. Correct.

9 Q. And do you recall meetings for First  
10 Standard?

11 A. I do.

12 Q. Do you recall how many there were?

13 A. No, I cannot recall.

14 Q. Do you recall when the first one  
15 involving First Standard that you became aware of,  
16 when that was?

17 A. I want to say maybe back in December of  
18 2016.

19 Q. Okay. And are those meetings with a  
20 particular correspondent called something, would that  
21 have been like a kickoff meeting?

22 A. Correct.

23 Q. Okay. And did you participate in the  
24 First Standard kickoff meeting?

25 A. I did.

1 Q. What was on the menu for that day?

2 A. Well, basically just getting started and  
3 kind of an outline of what to expect. I'm not heavily  
4 involved in the meetings, but I'm there for more of a  
5 meet and greet and introduction.

6 Q. Is the actual correspondent a  
7 participant in that meeting?

8 A. They are.

9 Q. Is it a telephonic meeting?

10 A. It's just a conference call.

11 Q. And who would setup the kickoff  
12 conference call?

13 A. Todd Hatton.

14 Q. And I assume it utilizes the typical  
15 meeting invites through Microsoft Office or some other  
16 electronic means?

17 MR. DEUTSCH: Objection.

18 MR. LIEBERMAN: Let me rephrase  
19 the question.

20 Q. How are the invitations for the kickoff  
21 conference call sent out by Mr. Hatton, if you know.

22 A. Through e-mail.

23 Q. Okay.

24 A. E-mail invitations.

25 Q. And how long are the kickoff conference

1 Q. Okay. Do you recall who was on the call  
2 from First Standard?

3 A. I think Jonathan, I don't remember the last  
4 name. That's all I can recall. There may have been  
5 more.

6 Q. Got it. And given your knowledge and  
7 experience of COR's conversion process and your role  
8 in that process, what would be the next thing that  
9 would occur after the kickoff conference call?

10 A. We would establish weekly meetings to  
11 discuss the process and the progress of the conversion  
12 and to answer any questions they have with the  
13 conversion packet. Many times the packet is sent  
14 piecemeal, it's rather large, so firms, you know,  
15 sometimes have questions and need a little guidance in  
16 completing that packet.

17 Q. Okay. With respect to the conversion  
18 packages and your experience in this process over the  
19 past more than a decade, is it accurate to say that  
20 correspondent firms have, take a lot of time in  
21 completing and preparing the conversion package based  
22 upon the amount of information being requested?

23 MR. DEUTSCH: Objection. Go  
24 ahead.

25 A. It varies.

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1 MR. DEUTSCH: Objection. Go  
2 ahead.

3 A. I think he has a checklist, but I don't know  
4 the details of how he tracks the progress.

5 Q. You don't receive a copy of his  
6 checklist?

7 A. I do not.

8 Q. Okay. But you keep your own checklist  
9 for your training department's role and functions,  
10 correct?

11 A. That is correct.

12 Q. At the weekly conversion status  
13 meetings, are there references to the progress or lack  
14 of progress being made on the conversion?

15 MR. DEUTSCH: Objection.

16 MR. LIEBERMAN: Let me rephrase  
17 the question.

18 Q. With respect to the weekly status  
19 conversion meetings, do you attend those?

20 A. I do.

21 Q. Okay. Do you receive any information  
22 relating to the meeting itself, like an agenda?

23 A. Not prior to the meetings.

24 Q. Do you receive the agenda at the  
25 meeting?

1 A. Correct.

2 Q. Okay. And then could you just generally  
3 describe what occurs at the weekly conversion status  
4 meetings?

5 A. Yes. Todd and Josh will both explain where  
6 we are in the process in terms of setups in the system  
7 for the firm. There's quite a bit of parameters in  
8 the beta system that must be completed. If there's  
9 any deliverables from the firm, if we're waiting for  
10 any information, perhaps a name and address file to  
11 send out the NCL, you know, we'll touch base upon  
12 certain deliverables that must be met to meet certain  
13 deadlines. And, again, it's just a matter of  
14 discussing kind of where we're at in the process and  
15 dates to be met, deadlines to meet.

16 Q. Right. Are there deadlines for the  
17 correspondent firm to meet or are the deadlines for  
18 COR to meet in its beta process?

19 MR. DEUTSCH: Objection. Go  
20 ahead.

21 A. Both.

22 Q. And you know that because of your  
23 participation in these over the course of more than a  
24 decade?

25 A. Correct.

1     Mr. Hatton's disclosure about the fact that everything  
2     is on hold and to stand down?

3     A.           There was perhaps some speculation, you  
4     know, and discussion about, you know, why the firm is  
5     on hold, but I don't recall specific conversations as  
6     to any additional information on that.

7     Q.           Do you recall whether or not someone had  
8     identified a particular deficiency of COR's as the  
9     reasons for First Standard's decision to be placed on  
10    hold, for example?

11    A.           Can you repeat the question?

12    Q.           Sure. Let me rephrase and try to make  
13    it simpler.

14                Did anyone voice the view that First  
15    Standard had stated they were dissatisfied with the  
16    COR performance on the conversion?

17    A.           I don't recall.

18    Q.           Okay.

19                MR. DEUTSCH: Paul, hang on one  
20    second. Now that we just got an answer out, we just  
21    got bounced off the video connection so just let her  
22    try to log on real quick.

23    Q.           At the time you heard Mr. Hatton's  
24    disclosure, do you recall how you interpreted his  
25    phrase of, quote, standing down?

1 A. I thought that they had changed their minds  
2 and determined not to see the conversion through.

3 Q. Okay. And do you recall whether that  
4 particular disclosure came during February or March or  
5 any specific time?

6 A. I don't recall the dates.

7 Q. Okay. After that disclosure by Todd,  
8 were there subsequent weekly conversion status  
9 meetings where First Standard was still on the agenda?

10 A. I don't believe so.

11 Q. Is it your recollection that after that  
12 disclosure by Todd, First Standard had come off the  
13 weekly conversion meeting reports and agendas?

14 A. No, I think they were still on the agenda as  
15 a pending item and I believe that's when the  
16 relationship manager was more involved and we were  
17 pending additional information.

18 Q. And who was the relationship manager to  
19 your knowledge?

20 A. I believe it was Roy Di Maria.

21 Q. Did you have an understanding at the  
22 time of what Mr. Di Maria's role was with respect to  
23 becoming more involved in a situation with First  
24 Standard?

25 MR. DEUTSCH: Objection. Form.

1 A. I don't recall.

2 Q. Do you recall receiving any additional  
3 information in a written form from anyone in the  
4 relationship management team?

5 A. No.

6 Q. And you don't recall receiving any  
7 verbal information that was disclosed at a weekly  
8 conversion status meeting?

9 MR. DEUTSCH: Objection. Go  
10 ahead.

11 A. The only thing I recall was that the firm  
12 decided to no longer, you know, go through with the  
13 conversion to COR Clearing.

14 Q. And your area, which is the training,  
15 would not have been impacted at all by the failure to  
16 complete the conversion at this point in time, is that  
17 true?

18 A. That is correct.

19 Q. Okay. Do you know what areas if at all  
20 within COR would have been affected by a decision by  
21 the correspondent not to complete the conversion?

22 MR. DEUTSCH: Objection.

23 Foundation and form.

24 MR. LIEBERMAN: I'll rephrase the  
25 question.

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1 A. I'm sorry, could you repeat that one more  
2 time. I'm sorry.

3 Q. That's alright. No worries.

4 (The pending question is read  
5 back by the Reporter as follows: "Okay. Do you  
6 recall in connection with the written materials about  
7 the weekly conversion status meetings any additional  
8 information concerning the reasons why First Standard  
9 has decided not to proceed with the conversion?"

10 A. I do not recall anything written.

11 Q. Do you recall receiving any verbal  
12 communications from anyone on the conversion team  
13 providing additional information as you've described,  
14 I took your description to mean that someone within  
15 relationship management was tasked with the objective  
16 of getting some additional information about the  
17 reasons why First Standard was not proceeding. Do I  
18 have that right?

19 MR. DEUTSCH: Objection.

20 Q. You can answer.

21 A. I'm so sorry, can you repeat the question?

22 Q. Yeah. Let me go back. You previously  
23 stated that at a particular meeting which you cannot  
24 identify as to a point in time that the relationship  
25 management team was to find out more information about

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1 what was involved in the First Standard decision not  
2 to proceed with the conversion; is that right?

3 MR. DEUTSCH: Objection. Go  
4 ahead.

5 A. That is correct. They were tasked to confer  
6 with the firm and find out additional information as  
7 to why they were no longer going along with the  
8 process to convert to COR Clearing.

9 Q. So now what I want to know and what I'm  
10 asking you is knowing that that task had been given to  
11 the relationship management team, did you have any  
12 written or verbal information back from the  
13 relationship management team?

14 MR. DEUTSCH: Objection. Go  
15 ahead.

16 A. Verbally I recall a conversation with both  
17 the relationship management team and with the  
18 conversion team that the firm had brokers that were  
19 not favorable for moving to COR Clearing and that is  
20 all I recall in terms of a possible reason why they  
21 did not move to COR Clearing.

22 Q. Very good. Thank you. Do you recall  
23 which specific person on the relationship management  
24 team made those statements, made that statement that  
25 you recall?

1 spoken about the post meeting discussions with risk,  
2 I'm sorry with relationship management and the  
3 conversion team about the First Standard brokers.  
4 After that communication, do you recall any other  
5 communications, either written or oral, about that  
6 same topic?

7 A. No, I do not.

8 Q. Okay. As part of the conversion team,  
9 if there were such discussions, do you believe that  
10 Mr. Hatton would have been the person to have included  
11 additional information in the weekly conversion status  
12 meeting agenda or discussions?

13 A. Yes, he would have communicated additional  
14 information if he had any.

15 Q. Do you recall receiving any such  
16 additional communications from Mr. Hatton at a  
17 subsequent weekly conversion status meeting about the  
18 First Standard situation?

19 A. No.

20 Q. Did you receive any information  
21 concerning when or if you should start the training  
22 program for First Standard?

23 A. Because everything was on hold, my training,  
24 there was just no time. I was not able to do my job  
25 because the conversion was on hold.

1 prospect off?

2 MR. DEUTSCH: Objection.

3 A. I don't know the answer to that.

4 Q. Okay.

5 MR. LIEBERMAN: I think that's  
6 all we're going to have for you this morning. Thank  
7 you.

8 MR. DEUTSCH: Paul, I just have a  
9 couple of quick questions for her.

10 Miss Reporter, can you hear me  
11 okay?

12 THE REPORTER: Yes.

13

14 CROSS EXAMINATION BY MR. DEUTSCH:

15 Q. Miss Ausdemore, you were asked about  
16 whether you had finalized the First Standard training  
17 plan. Do you recall being asked questions about that?

18 A. I do.

19 Q. Why didn't you finalize the First  
20 Standard training plan?

21 MR. LIEBERMAN: Objection.

22 O. Go ahead.

23 A. I was unable to finalize the First Standard  
24 training plan because the firm failed to cooperate.

25 Q. When you say "the firm" who do you mean?

1 A. First Standard.

2 Q. You were asked about whether you  
3 coordinated with your other department managers for  
4 the purpose of conducting the First Standard training.

5 A. Mm-hmm.

6 Q. Why didn't you coordinate with those  
7 department managers?

8 A. I was not able to coordinate with the  
9 managers because we didn't get to that point in the  
10 conversion process for the firm to come onboard for me  
11 to properly train them.

12 Q. Were you prepared to perform your role  
13 in the conversion process --

14 MR. LIEBERMAN: Object.

15 Q. -- to finalize -- I'm sorry, Paul. I  
16 tried to give you the courtesy of not objecting over  
17 your actual voice. I will request that you will give  
18 me the same courtesy.

19 MR. LIEBERMAN: I thought you  
20 actually ended your question just like you did with  
21 me. It's very difficult on this process. So your  
22 snarkiness is not necessary.

23 MR. DEUTSCH: I'm not being  
24 snarky, but if you're overly sensitive I can't assist  
25 you with that.

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1

2 CERTIFICATE

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5 I, DEBRA-ANN BALSAMO, a Certified  
6 Shorthand Reporter and Notary Public of the State of  
7 New Jersey, certify that the foregoing is a true and  
8 accurate transcript of the deposition of AMY AUSDEMORE  
9 who was first duly sworn by me.

10 I further certify that I am neither  
11 attorney or counsel for, nor related to or  
12 employed by any of the parties to the action in  
13 which the deposition is taken and that I am not a  
14 relative or employee of any attorney or counsel  
15 employed in this case, nor am I financially  
16 interested in the action.

17

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19

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DEBRA-ANN BALSAMO

21

CERTIFIED SHORTHAND REPORTER

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Dated: May 8, 2018  
23 My commission expires on:  
December 6, 2020  
24 License No. X101161  
25